

Despite on-going accession negotiations, EU membership for Iceland is far from a certainty.

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In spite of the Eurozone crisis, the EU's negotiations with potential accession countries continue. [Benjamin Leruth](#) looks at Iceland's prospects for accession, finding that three years after accession talks began, the majority of Icelanders are not in favour of joining the EU. Disputes over economic, agricultural, and fisheries policies present significant challenges to the negotiations, and may yet fuel opposition parties' calls for a referendum on Iceland's accession.



In July 2009, following the effects of the financial crisis and the country's early elections, Iceland applied for European Union membership for the first time in its history. This young nation, that gained its independence from Denmark in 1944, is commonly considered as the smallest, richest and best applicant country in the history of the EU. Three years after its application, ten chapters of the *acquis communautaire* (agreements to adopt and follow the EU's existing legislation and institutions) have already been closed, and eight others are currently opened (there are 35 in total). However, [public support for EU accession](#) remains low, with a majority of 53.8 percent of the population against joining the EU and only 27.5 percent in favour.

It is clear that the 2008 financial crisis triggered an important change within Icelandic political elites. Following this crisis and what is referred to as the "pots and pans revolution" in early 2009, the conservative Independence Party (IP) was relegated to the opposition after 18 years of presence in the government, and the pro-European Social Democratic Alliance (SDA), second party of the former coalition, became the biggest party of Iceland for the first time in its history. Newly appointed Prime Minister Jóhanna Sigurðardóttir set EU application as the top priority of the new government, formed with the Left-Green Movement. In the early months following the application, various arguments were put on the table in order to justify this decision. First, EU membership was seen as the best (or even only) solution to recover from the financial crisis, mostly by adopting the Euro. Second, the SDA emphasized that it would give Iceland a say in the European decision-making process, which is not the case under the current European Economic Area (EEA) agreement. Third, as the EEA and Schengen cover about 75 percent of European legislation, the pro-European camp states that full EU membership is the logical step forward, despite various challenges facing Iceland's application.



President Van Rompuy and the Prime Minister of Iceland, Jóhanna Sigurðardóttir Credit: President of the European Council (Creative Commons BYNC ND)

Those opposed to EU membership in Iceland cite these challenges in order to defend their position. In their opinion, Iceland's position regarding fisheries, which constitute the single most important export industry in the country, is largely incompatible with the (currently reformed) Common Fisheries Policy (CFP), which would harm the sector and more generally Iceland's economy. Environmental issues, such as Europe's

position regarding Northern agriculture or the controversial issue of whaling, constitute other arguments raised by opponents.

In the months that followed Iceland's application, the debate on EU membership evolved as both the domestic and external contexts changed. On the one hand, Iceland's economy has recovered well, following currency devaluation by half: unemployment decreased, and emigration is pumped up with an increasing demand for workers. On the other hand, the Eurozone suffers from a strong instability, following difficulties mostly encountered by the Greek and Spanish economies. Furthermore, several bilateral issues involving Iceland and the EU, such as the [mackerel war](#) or the [Icesave dispute](#), cooled Icelanders' ardour. These events strengthened the position of opponents to EU accession in Iceland: between May 2009 and April 2012, public opinion against EU membership increased by about 15 percent.

It can be argued that if Iceland recovered after the 2008-2009 period, it is partly the effect of the application for EU membership, as the credibility of the country on international financial markets increased. In the meantime, the government continues to defend its position. In an attempt to make the accession process smoother on the sensitive issue of fisheries, its recent decision to treble the price of fishing tariffs [angered the fisheries industry](#), was a risk with potential implications for the government's popularity. While, on 24 May, the opposition suggested the organization of a national referendum on discontinuing accession talk, the Althingi (Iceland's national parliament) rejected this idea with 34 votes against 25 in favour.

So, what will happen next? Even though the European Union acknowledges the fast progress of negotiations, the hardest part is yet to come. The chapters that have now been closed were already mostly covered by the EEA agreement and thus constitute the easiest steps of the negotiation process. The most challenging ones, i.e. fisheries, agriculture and rural development, and economic and monetary policy, have not been opened yet. It is very likely that among all the chapters from the *acquis*, fisheries will be the most crucial one in order to influence public opinion. If Iceland is able to negotiate a fair agreement on this issue, then Icelanders will be less reluctant to vote in favour of EU membership. Even though there is a lot of work ahead for both parties, an agreement on the issue can be reached. As Iceland's case regarding fisheries is unique in Europe (with 70 percent of the fishing stocks being local within the economic zone of Iceland), there is a need to find a tailor-made solution that will satisfy everyone. The principle of relative stability mentioned in the Common Fisheries Policy might be the key to solve the problem, and quotas for specific type of fishes might be introduced for instance. At this stage, an opt-out of the CFP is unthinkable for both the European Union and Iceland.

Finding an agreement to resolve the issue of fisheries might not be sufficient to convince Icelanders, but until an accession treaty is negotiated and despite strong opposition at the time of writing, it remains unclear whether Iceland will join the European Union. The next important domestic factor will be the parliamentary elections, which will be held during the first semester of 2013: if support for the current government [remains low](#) and if the Independence Party gets its first place back, it might not be unthinkable to witness a referendum on continuing accession talks. And then, Icelanders will have a first important decision to make. Time will tell.

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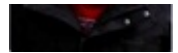
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